

Congressman Urges Enforcement of International Trade Laws to Boost Competitiveness of Hudson Valley Solar Companies

Highland, NY - Congressman Maurice Hinchey (D-NY) today visited Prism Solar Technologies to stress the urgency of stopping China's illegal subsidization of its clean energy exports. Those subsidies, Hinchey argued, put Hudson Valley solar manufacturers like Prism at a competitive disadvantage. To remedy the situation, Hinchey today sent a letter to President Barack Obama to take action through the World Trade Organization, the international body, of which China and the U.S. are members, charged with regulating international trade. Hinchey was joined by Prism's CEO, Rick Lewandowski, and The Solar Energy Consortium's CEO, Vincent Cozzolino.

"I opposed the unfair trade deals and the permanent normalization of trade relations with China, because I knew it would create an unlevel playing field for American workers," said Hinchey. "In addition to lacking any environmental or labor standards, China is now manipulating its currency and violating international trade laws by illegally subsidizing its domestic clean energy industries. In the past few years, I've worked to help along our domestic solar energy industry in the Hudson Valley and now we've seen the creation of hundreds of jobs as a result. This industry is set to take off, and we can't allow all of our efforts to be hampered by Chinese subsidies. The president needs to use his authority to hold them accountable."

According to a petition to the WTO from the Steelworkers Union, China is currently blocking foreign access to green energy materials of production; providing illegal subsidies for Chinese exports; obstructing clean energy imports into China; and, demanding that foreign investors hand over trade secrets, all of which are hampering the efforts of the Hudson Valley's clean energy manufacturers.

Hinchey led the effort to establish The Solar Energy Consortium (TSEC) to build partnerships between local universities and solar energy start-ups. The cooperative and coordinated approach has helped create more than 600 solar jobs, with nearly 1,000 additional jobs expected in the next two years. Last year, Hinchey announced that Prism Solar Technologies had closed a deal to establish itself in Highland using a \$2 million federal investment he secured on behalf of TSEC using his position on the House Appropriations Committee. Prism designs and manufactures products that improve the efficiency of solar energy collection and is at risk of being undercut by heavily subsidized Chinese products.

Hinchey has opposed unfair trade deals like the North American Free Trade Agreement (NAFTA) and the Central American Free Trade Agreement (CAFTA) because they cause the

exportation of U.S. jobs out of the country. He is a cosponsor of the Trade Reform, Accountability, Development and Employment Act (TRADE Act), which would require a comprehensive review of major trade agreements on the books, ensure that environmental labor and human rights standards are addressed in future agreements, and give Congress the authority it needs to assert its proper constitutional role in the trade negotiating process by significantly limiting future fast-track authority.

Hinchey is also working to end ongoing currency manipulation by China. He recently signed a letter to the House leadership expressing concern about ongoing Chinese currency manipulation and requested that H.R. 2378, the Currency Reform for Fair Trade Act, be brought to the floor for a vote. This legislation would allow for the imposition of countervailing or anti-dumping duties on injurious imports from any country that persistently undervalues its currency.

The full text of the Congressman's letter to President Barack Obama is below:

September 22, 2010

Dear President Obama,

Clean energy represents one of the most significant growth opportunities for the U.S. economy in decades. New businesses are starting up across our country. Thousands of new jobs are being created. At the same time, we're reducing our reliance on foreign sources of energy and protecting our environment. Unfortunately, The New York Times recently reported that China is illegally subsidizing and protecting its clean energy industry, at the expense of U.S. companies who are being forced to compete on an uneven playing field. This type of anti-competitive, illegal activity must not be allowed to stand and I urge you take action to protect the U.S. alternative energy industry.

As you may know, the solar industry has had an incredibly positive economic impact on upstate New York. Over a dozen new solar and solar-related companies have opened in the last three years, creating over 600 new jobs, with another 1,000 additional jobs expected over the next two years. These new companies and jobs have breathed new life back into a region that was severely impacted when major manufacturers shipped jobs overseas as the result of unfair free trade agreements, which I strongly opposed, in the 1990's. Industrial parks that were once empty are filling up. Local retailers are reporting better sales and other new companies are now being attracted to the area because of the momentum created by our clean energy businesses.

Competition in the solar industry is fierce right now. Solar companies in New York, such as Prism Solar Technologies, Solar Tech Renewables and SpectraWatt, are relying on innovation to outpace their international competitors. We need to make sure they are able to compete on a level playing field with other companies from other countries.

In 2000, I opposed granting China "Permanent Normal Trade Relations", which offered China entry into the World Trade Organization. However, now that China is a member of the WTO, it must uphold the legal ground rules for trade between nations. The Steelworker's Union's recently petitioned the U.S. Trade Office to take action against China. The petition detailed allegations that are serious violations of international law and major obstacles to our domestic clean energy sector. According to allegations detailed in the petition, China is illegally: blocking foreign access to green energy materials of production; providing subsidies for Chinese exports; reducing clean energy imports; and demanding foreign investors hand over trade secrets. Imposing these obstacles on U.S. clean energy manufacturers, is dampening the development of our U.S. clean energy economy and costing U.S. jobs.

This Congress and administration have clearly demonstrated a commitment to making the development of clean energy a national priority. We made historic investments in the American Recovery and Reinvestment Act to both incentivize the use of alternative energy and support the development of new businesses. However, it remains that much more must be done for the U.S. to become a leader in the field of clean energy. We must continue to act boldly to promote our global competitiveness by providing an equal playing field for international trade -- this includes taking necessary action against countries, such as China, that are violating international trade laws.

Thank you for your attention to this matter. I look forward to your reply.

Sincerely,

Congressman Maurice D. Hinchey